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Before The
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)
)
Application of SBC Communications,)
Inc., Southwestern Bell Telephone)
Company, and Southwestern Bell)
Communications Services, Inc.)
d/b/a Southwestern Bell Long)
Distance for the Provision of)
In-Region, InterLATA Services in)
Oklahoma)

CC Docket No. 97-121

TO COMMISSION:

OPPOSITION OF U.S. LONG DISTANCE

Respectfully submitted,

U.S. Long Distance, Inc.

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May 1, 1997

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OPPOSITION OF U.S. LONG DISTANCE

U.S. Long Distance ("USLD"), by its attorneys, opposes the Application of SBC Communications, Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance (collectively "SBC") for the Provision of In-region, InterLATA Services in Oklahoma ("Application").¹ The Application must be denied because SBC has not satisfied either the checklist requirements or the public interest standard of Section 271 of the Telecommunications Act of 1996 (the "1996 Act"). USLD, as an active member of the Competitive Telecommunications Association ("CompTel"), fully supports the opposition to SBC's Application being filed today by CompTel and concurs therewith. However, USLD is filing this opposition in order to set forth in the record its own experiences in dealing with SBC as a new entrant in local telecommunications services.

¹ SBC filed its Application with the Commission on April 11, 1997. The Commission issued a Public Notice establishing a comment deadline of May 1, 1997.

I. INTRODUCTION AND SUMMARY

One of the nation's 20 largest long distance carriers, USLD provides 1+ and operator services calling primarily in Texas, California and the Southwest. USLD's intent is to expand the range of services it provides and to offer its customers a full complement of services, including local exchange, exchange access, intraLATA toll and interLATA services. USLD's business plan in Oklahoma calls for it to enter the local exchange market initially through the resale of SBC's local exchange retail services, and eventually through a combination of resale and unbundled network elements purchased from SBC. Over the longer term, USLD plans to construct some of its own facilities and to integrate those facilities with SBC network elements. USLD also contemplates serving some customers through resold local exchange services on a permanent basis. Granting SBC's Application before local entry is possible in Oklahoma, and before there is meaningful local competition there, would interfere with USLD's ability to carry out its business plan and would give SBC an insurmountable competitive advantage in the local exchange and full-service markets for years to come.

SBC's failure to satisfy the pre-requisites to in-region, interLATA entry is evident from USLD's experience in attempting to implement its interconnection agreement with SBC. In this Opposition, USLD provides affidavits documenting numerous, specific ways in which SBC has failed to comply with statutory and regulatory requirements for local exchange resale under Section 251(c)(4). USLD's experience with SBC's resale product in Texas has demonstrated that

the product is available only under unfair and anticompetitive conditions. In particular, SBC does not provide operations support systems ("OSS") that ensure efficient and timely ordering, provisioning, maintenance and repair, and billing. In addition, SBC has failed to observe specific billing and discount contractual provisions contained in its interconnection agreement with USLD. As a result of this experience with SBC in Texas, USLD is hesitant to engage in local competition in other SBC states until it can be assured that SBC's OSS will support an end product to USLD's customers equivalent in terms of timeliness and efficiency to that provided by SBC to its own customers.

Another flaw in SBC's claim that it has satisfied the Section 271 checklist requirements and public interest test is related to its "PIC change" process for local exchange service. SBC's ability to switch customers to USLD for the provision of local exchange service is grossly inferior to that which SBC's long distance affiliate would enjoy in the long distance market in Oklahoma. In the emerging full-service marketplace, the ability of SBC to sign up long distance customers faster, more efficiently, and more inexpensively than their own PIC change procedures would permit new local entrants to sign up local customers would give SBC a significant competitive advantage. This clearly violates the unbundling and resale requirements of Sections 251(c)(3) and (4), respectively, as well as the public interest test of Section 271.

The problems that USLD and other new entrants face in Oklahoma must be resolved before SBC is allowed to enter the full-service market in that state. The promise of entry into

the full-service market is the last significant incentive pushing SBC to take the steps necessary to fully implement interconnection, access, and resale agreements with new local exchange competitors.² Indeed, once it has entered the full-service market in Oklahoma, SBC would have strong incentives to actively delay and hinder local competition in Oklahoma while it establishes a customer base for "one-stop-shopping" telecommunications services, leaving potential competitors in this market at a substantial disadvantage³. Thus, premature entry by SBC into the full-service market through grant of its Application would harm competition and deserve the purposes underlying the 1996 Act and the Commission's rules implementing the Act.

II. SBC HAS FAILED TO SATISFY THE CHECKLIST REQUIREMENTS OF SECTION 271

A. SBC Has Failed to Provide USLD With Resale of Telecommunications Services Pursuant to Section 271(c)(2)(B)(xiv)

Section 271(c)(2)(B)(xiv) requires SBC to show that "telecommunications services are available for resale in accordance with the requirements of sections 251(c)(4) and 252(d)(3)."⁴ Section 251(c)(4) provides that ILECs have the duty "to offer for resale at wholesale rates any telecommunications service."⁵ This section also establishes the duty of ILECs "not to prohibit,

² "Once a BOC is granted authority to enter long distance, its incentives to comply with Section 271, and particularly the checklist requirements of Section 271(c)(2)(B), will greatly diminish." Reply Comments of the United States Department of Justice, p. 15, Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as amended (filed August 30, 1996).

³ Competitors would be disadvantaged both by their delayed entry and by consumers perceptions that they are providing an inferior quality of service.

⁴ 47 U.S.C. § 271(c)(2)(B)(xiv).

⁵ 47 U.S.C. § 251(c)(4).

and not to impose unreasonable or discriminatory conditions or limitations on the resale of such telecommunications service.”⁶ Thus, Congress and the Commission intended not only that ILECs offer some kind of resale product to potential competitors, but that the resale services offered be provided *without the imposition of discriminatory conditions* and that they must actually *work*. In its *Competition Order*, the FCC concluded that:

Service made available for resale must be *at least* equal in quality to that provided by the incumbent LEC to itself or to any other subsidiary, affiliate, or any other party to which the carrier directly provides the service, such as end users. Practices to the contrary violate the 1996 Act’s prohibition of discriminatory restrictions, limitations, or prohibitions on resale. This requirement includes differences imperceptible to end users because such differences may still provide incumbent LECs with advantages in the marketplace. Additionally, we conclude that incumbent LEC services are to be provisioned for resale with the same timeliness as they are provisioned to that incumbent LEC’s subsidiaries, affiliates, or other parties to whom the carrier directly provides the service, such as end users.⁷

It is not enough that access to unbundled elements and local exchange resale may be available from SBC on paper or in theory. In particular, SBC must furnish automated OSS -- efficient pre-ordering, ordering, installation, maintenance and repair, and billing -- that are available, tested, and working in fact. Moreover, SBC cannot impose discriminatory and anti-competitive conditions on the availability of its resale product and, in particular, on the provision of OSS to its competitors.

⁶ *Id.*

⁷ *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, First Report, 11 FCC Rcd 15499, ¶ 970 (Competition Order) (emphasis added).*

In addition, Section 271 contemplates that a BOC request for in-region interLATA authorization is premised on the actual provision of services necessary for competitors to effectively operate and to compete in the local exchange marketplace. The Joint Explanatory Statement of the Committee of Conference that reported out the 1996 Act adds further clarification:

The requirement that the BOC 'is providing access and interconnection' means that the competitor has implemented the agreement and the competitor is operational. This requirement is important because it will assist the appropriate State commission in providing its consultation and in the explicit factual determination by the Commission [FCC] under new section 271(d)(2)(B) that the requesting BOC has fully implemented the interconnection agreement elements set out in the 'checklist' under new section 271(c)(2).⁸

In so stating, Congress made clear its intent that Section 271(c)(1)(A) requires the existence of actual competition based on fully implemented and operational agreements to be a necessary precondition to the grant of in-region interLATA authority.

1. SBC Has Failed to Provide USLD With The Level of Operational Support and Service Quality Necessary to Compete in SBC's Market.

Through its OSS capabilities, SBC provides the systems and databases that are critical to providing the pre-ordering, ordering, provisioning, maintenance and repair, and billing functions for use with the provision of telecommunications services through local exchange resale (as well as unbundled network elements). The establishment of efficient mechanisms and procedures for

⁸ *Telecommunications Act of 1996, House Report No. 104-204, 104th Cong., 2nd Sess. 149, reprinted in 1996 U.S. Code Cong. & Admin. News, Pamphlet No. 1, Legislative History 160-61.*

access to SBC's OSS is absolutely essential to the development of meaningful competition in the provision of local services. The Commission recognized that principle in its *Competition Order*:

[T]he massive operations support systems employed by incumbent LECs, and the information such systems maintain and update to administer telecommunications networks and services, represent a significant potential barrier to entry. . . . Much of the information maintained by these systems is critical to the ability of other carriers to compete with incumbent LECs using unbundled elements or resold services. . . . [I]f competing carriers are unable to perform the functions of pre-ordering, ordering, provisioning, maintenance and repair, and billing for network elements and resold services in substantially the same time and manner that an incumbent can for itself, competing carriers will be severely disadvantaged, if not precluded altogether, from fairly competing. Thus providing nondiscriminatory access to these support system functions, which would include access to the information such systems contain, is vital to creating opportunities for meaningful competition.⁹

Therefore, when USLD first enters the local exchange market in SBC's territory in Oklahoma, USLD's ability to serve its customers efficiently through resold local exchange services is dependent upon obtaining efficient and effective OSS capabilities from SBC. Just as important to USLD is that it have non-discriminatory access to OSS capabilities in parity with the OSS access that SBC provides to itself or its own affiliates. Anything less will seriously impede USLD's ability to effectively compete in the market for local exchange services.

As documented in the attached affidavit, USLD's experience with SBC in Texas demonstrates that SBC cannot satisfy the checklist requirement regarding local exchange resale. Examples of problems resulting from SBC's failure to provide sufficient OSS functions to USLD are listed below:

⁹ *Competition Order* at ¶ 516-518.

- SBC did not offer, until March of this year, any electronic Operational Support Systems ("OSS"). USLD had no other option available to it except to manually fill out a form and fax it to SBC for each local resale account it wished to transfer. After finally proposing to offer OSS to USLD, as required by statute, USLD learned SBC intended to charge a minimum of \$3200 a month, regardless of the number of orders processed. Furthermore, SBC insists that USLD spend several thousand dollars to train its own employees before any transactions can be made on this system. This high cost represents a barrier to USLD's entry into competition. *See Burk Affidavit at ¶ 5.*
- OSS is not available for the provision of local resale lines for privately owned pay telephones, which is a service USLD supplies. Therefore, no local service provider can utilize electronic ordering for COCOT line local services because SBC has unilaterally decided to withhold OSS functions from its competition. Therefore, in addition to other problems resulting from SBC's failure to provide USLD with OSS functions for its resold COCOT lines, USLD has to manually fill out a form and fax it to SBC for each resale COCOT line account it wants to transfer. Meanwhile, electronic ordering remains available to SBC for its own provision of private pay telephone local service. *See Burk Affidavit at ¶ 6.*
- By SBC decree, OSS is not made available to carriers until the SBC training courses are paid for and completed. In March 1997, SBC response to USLD's inquiries regarding the availability of such training was that there were no training courses available until July 1997. However, after much protest, SBC agreed to schedule special training for USLD in May. Until after the training is completed, USLD does not have access to the operational subsystems. As noted above, such access is not available at all for USLD's provision of resold COCOT lines). *See Burk Affidavit at ¶ 7.*

In each of these examples, SBC's performance has been far less efficient and effective than the OSS capabilities that are available today, and that would be available to SBC's long distance affiliate in the Oklahoma interLATA market if the instant Application is granted.

2. SBC Has Imposed Unreasonable Provisioning and Repair Time Intervals on USLD

Despite the fact that the interconnection agreement between USLD and SBC is now eight months old, SBC continues to insist upon a lead time of at least 150 additional days to actually install interconnecting trunk groups. USLD has interconnection agreements with SBC that cover a number of cities in all five SBC states and this extraordinary delay in the provision of interconnecting circuits could effectively delay USLD's provision of local service for more than a year in some of those cities. *See* Burk Affidavit at ¶ 9. This type of unwarranted delay clearly gives SBC a competitive advantage over carriers like USLD who are dependent on SBC's network.

Not only has SBC caused delay in the provisioning of service to customers, but in repair intervals as well. Network trouble is not handled in a timely manner for USLD as a resale carrier of COCOT lines. For instance, during an emergency situation in Houston caused by major flooding in the city, several public pay phones were out of service. SBC responded with repair intervals, some of which were several days in duration. SBC indicated that this was a normal response under the circumstances. USLD customers, however, previously served by SBC, indicated that this service was considerably delayed compared to the type of service that they received from SBC before switching to USLD. *See* Burk Affidavit at ¶ 11. In the foregoing manner, SBC uses its competitive advantage (its control of bottleneck facilities) to create the perception among USLD's customers that USLD is providing an inferior quality of service to that of SBC.

In addition to the foregoing, SBC has found other ways to create problems and delays for USLD. For example, SBC refuses to make available a copy of the Master Street Address Guide ("MSAG") to USLD, which is used by 911 emergency service to identify the physical location of each customer. SBC indicated that it would make the MSAG available only in a city where USLD specifically planned to do facilities-based interconnection. However, the 911 agencies themselves require that all local service providers collect and remit relevant surcharges from their end users based on the end user's physical address. USLD is unable to do so without a copy of the master street address guide (MSAG). Therefore, in those cities where USLD intended to provide resale local exchange service, USLD would be unable to satisfy the 911 Agencies' requirements. *See* Burk Affidavit at ¶ 8.

3. SBC Has Failed to Observe Billing and Discount Contract Provisions in Its Interconnection Agreement With USLD

The Resale Appendix in USLD's interconnection agreement with SBC states that either Party shall have the option of converting to [a different discount level rendered in a final ruling of a governing regulatory agency] upon ten (10) days written notice to the other party." In other words, the contract allows for a floating discount level dependent upon Commission rulings from time to time. When USLD attempted to implement this portion of the agreement as a result of a ruling at the Texas Public Utility Commission, SBC indicated in writing that USLD would have to accept a package of new and unrelated terms and conditions for the provision of local resale in order to receive that discount. *See* Burk Affidavit at ¶ 10. This type of conduct is yet another

example of how SBC has failed to implement the agreed upon provisions in its interconnection agreement with USLD.

A further example is related to the Resale Appendix in USLD's interconnection agreement with SBC, which states that USLD "... will be charged a per-order conversion charge" when USLD "... converts an end user currently receiving non-complex service from SBC network, without any changes to SBC's network." Despite this contractual provision SBC has multiplied this fixed rate by the number of actual end user lines USLD submits per end user order. Thus, in order for USLD to convert the local services of one end user with four lines to its own service under SBC's Resale program, USLD has been billed four times the contractual rate. Despite repeated requests from USLD to correct this error in SBC's billing system, SBC refused to adjust their billing methodology. SBC even refused to discuss alternative billing, claiming that it would set an unacceptable precedent for other local service providers for whom they provide service. See Burk Affidavit at ¶ 4.

These illustrations show how easy it is for SBC, or any other Bell Company, to frustrate USLD's ability to enter the local exchange market through an ongoing series of "mistakes" and problems that increase costs to USLD, undermine USLD's customer relationships, create the perception that USLD's local exchange services are inferior to SBC's, and otherwise create a strong incentive for all existing SBC local exchange customers to stay with SBC to avoid delays, service outages, and disruptions. Many customers do not understand that these problems are

caused by SBC and do not reflect upon the quality of USLD's services or customer service support. Even those customers who understand that SBC has caused these problems may be reluctant to migrate to a new carrier to avoid the likely ensuing problems. Such results are contrary to the pro-competitive goals of the 1996 Act. Until SBC can provide USLD with fully operational operations support systems, it cannot meet the checklist requirement of section 271(c)(2)(B)(xiv).

B. SBC Has Not Purported To Satisfy the Requirement That It Provision Local Exchange PIC Changes To Competitors On The Same Terms And Conditions That It Provisions Long Distance PIC Changes To Itself [271(c)(2)(B)(ii) and (xiv)]

SBC's Application is deficient on its face because it does not even purport to establish that SBC provisions PIC changes to competitors in the local exchange market as quickly and efficiently as it will be able to provision PIC changes to itself in the interexchange market. The ability of the BOCs to sign up long distance customers faster, more efficiently, and more inexpensively than their own PIC change procedures would permit new local entrants to sign up local customers, would give the BOCs an unanswerable competitive advantage in the emerging full-service market. It is discriminatory, to say the least, if SBC can switch many thousands of long distance customers a day to itself for "one-stop-shopping", while only switching local customers to competitors at a fraction of that rate.

The Commission recognized in its *Local Competition Order* that the 1996 Act directs the FCC to remove existing operational barriers to entering the local markets. "Vigorous competition would be impeded by technical disadvantages and other handicaps that prevent a new entrant from offering services that consumers perceive to be equal in quality to the offerings of incumbent LECs." ¹⁰

The failure of incumbent LECs to provide *nondiscriminatory* access to their operations support systems, which include the ability to provision PIC changes quickly and efficiently, would create a barrier to entry into the local and full service markets. The Commission determined that these systems were "network elements" and made it clear that "operations support systems functions are subject to the nondiscriminatory access duty imposed by 251(c)(3), and the duty imposed by section 251(c)(4) to provide resale services under just, reasonable, and nondiscriminatory terms and conditions."¹¹

In light of the foregoing, it is clear that Section 51.313 of the Commission's rules -- requiring that the "terms and conditions pursuant to which an incumbent LEC offers to provide access to unbundled elements, *including . . . the time within which the incumbent LEC provisions*

¹⁰ *Local Competition Order* at ¶ 16. In the emerging full-service market place, an particularly upon authorization to enter the long distance market, an incumbent LEC's offerings must be considered to include long distance services. Therefore, the speed with which customers can be switched over the another carrier must be looked at in the context of such a full service market, which encompasses both local and long distance services.

¹¹ *Id.* at ¶ 517.

*such access . . . be no less favorable to the requesting carrier than the terms and conditions under which the incumbent LEC provides such elements to itself*¹² -- is applicable to PIC change capabilities and timing. The same is true with respect to Section 51.603, which requires a LEC to make its "telecommunications services available for resale . . on *terms and conditions* that are reasonable and *nondiscriminatory*."¹³

In the context of the checklist requirements for BOC entry into the in-region, interLATA market pursuant to Section 271,¹⁴ this means that a BOC must provision PIC changes to new customers of competing local exchange carriers at the same rate, and with the same efficiency, that it provisions such changes to its own new long distance customers. This is clearly the intent of the statute, and the Commission's Order and regulations, and is the only reasonable interpretation in the context of the emerging full-service telecommunications market. The Commission's own statement in the *Local Competition Order*, with respect to the elimination of operational barriers to competition, is telling in this respect:

Customers can voluntarily switch from one interexchange carrier to another extremely rapidly, through automated systems. This has been a boon to competition in the interexchange market. We expect that moving customers from one local carrier to another rapidly will be essential to fair local competition.¹⁵

¹² 47 C.F.R. § 51.313 (*emphasis added*).

¹³ 47 C.F.R. § 51.603 (*emphasis added*).

¹⁴ Section 271(c)(2)(B)(ii) requires nondiscriminatory access to network elements in accordance with the requirements of sections 251(c)(3); and Section 271(c)(2)(B)(xiv) requires that telecommunications services are available for resale in accordance with the requirements of sections 251(c)(4).

¹⁵ *Local Competition Order* at ¶ 18.

In-region, interLATA entry can occur only after the necessary PIC-change procedures are in place, and proven workable, so that customers can change their local carrier as easily and quickly, and in the same numbers, as they can change their long distance carrier. Because SBC has not even attempted to make such a showing, its Application is defective on its face and should not be granted by the Commission.

Even assuming, *arguendo*, that the type of equitable PIC change process described above is not included within the checklist requirements, the public interest would still require that SBC have the ability to offer provisioning of local PIC changes to new competitors in the local exchange market as quickly and efficiently as it can offer long distance PIC changes to its own affiliate. Section 271 specifically requires the Commission to find that the granting of the Application is consistent with the public interest, convenience and necessity.¹⁶ It is inconceivable to USLD that SBC's ability to switch long distance customers to its affiliate in numbers far greater than it switches local customers to its competitors could possibly survive a public interest analysis under section 271.

¹⁶ 47 U.S.C. § 271(d)(3)(C).

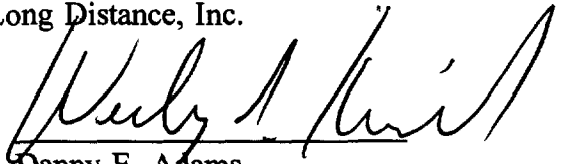
Comments of U. S. Long Distance
SBC Communications, Inc:
Oklahoma

III. CONCLUSION

For the foregoing reasons, USLD respectfully requests that the Commission deny SBC's Application Pursuant to Section 271 of the Telecommunications Act to Provide In-Region, InterLATA Services in Oklahoma.

Respectfully submitted,
U.S. Long Distance, Inc.

By:



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| Long Distance for Provision of In-Region, |) | |
| InterLATA Services In Oklahoma |) | |

**AFFIDAVIT OF RICHARD BURK
ON BEHALF OF U.S. LONG DISTANCE**

1. My name is Richard Burk. I am Vice President of Strategic Planning at U S Long Distance ("USLD").

2. I have been with USLD for approximately one year, and I have 25 years of industry experience. My responsibilities at USLD include acting as the primary interface between USLD and the incumbent local exchange carriers.

3. The purpose of my affidavit is to describe how SBC Communications, Inc. ("SBC") has failed to satisfy some of the 14 elements of Section 271(1)(2)(B) of the Telecommunications Act of 1996 ("Act"). In particular, I will describe had SBC has failed to provide USLD with a resale product that complies with Sections 251(c)(4) and 252(d)(3) of the Act.

4. The Resale Appendix in USLD's interconnection agreement with SBC Telephone (SBC) states that USLD "... will be charged a per-order conversion charge" when USLD "... converts an end user currently receiving non-complex service from SBC network, without any changes to SBC's network." On the contrary, SBC multiplies this fixed rate by the number of actual end user lines USLD submits per end user order. Thus, in order for USLD to convert the local services of one end user with four lines to its own service under SBC's Resale program, USLD has been billed four times the contractual rate. Despite repeated requests from USLD to correct this error in SBC's billing system, SBC refused to adjust their billing methodology. SBC even refused to discuss alternative billing, claiming that it would set an unacceptable precedent for other local service providers for whom they provide service.

5. SBC did not offer, until March of this year, any electronic Operational Support Systems ("OSS"). USLD had no other option available to it except to manually fill out a form and fax it to SBC for each local resale account it wished to transfer. After finally proposing to offer OSS to USLD, as required by statute, USLD learned SBC intended to charge a minimum of \$3200 a month, regardless of the number of orders processed. Furthermore, SBC insists that USLD spend several thousand dollars to train its own employees before any transactions can be made on this system. This high cost represents a barrier to USLD's entry into competition.

6. OSS is not available for the provision of local resale lines for privately owned pay telephones, which is a service USLD supplies. Local service providers in SBC states cannot utilize electronic ordering for COCOT line local services which SBC has unilaterally decided to withhold from its competition. Therefore, in addition to other problems resulting from SBC's failure to provide USLD with OSS functions for its resold COCOT lines, USLD has to manually fill out a form and fax it to SBC for each resold COCOT line account it wants to transfer. Meanwhile, electronic ordering remains available to SBC for its own provision of private pay telephone local service.

7. By SBC decree, OSS is not made available to carriers until the SBC training courses are paid for and completed. In March 1997, SBC response to USLD's inquiries regarding the availability of such training was that there were no training courses available until July 1997. However, after much protest, SBC agreed to schedule special training for USLD in May. Until after the training is completed, USLD does not have access to the operational subsystems (and as noted above, such access is not available at all for USLD's COCOT line customers)!

8. SBC refuses to make available a copy of the Master Street Address Guide ("MSAG") to USLD, which is used by 911 emergency service to identify the physical location of each customer. SBC indicated that it would make the MSAG available only in a city where USLD specifically planned to do facilities-based interconnection. However, the 911 agencies themselves require that all local service providers collect and remit relevant surcharges from their end users based on the end user's physical address. USLD is unable to do so without a copy of the master street address guide (MSAG). Therefore, in those cities where USLD intended to provide resale local exchange service, USLD would be unable to satisfy the 911 Agencies' requirements.

9. Despite the fact that the interconnection agreement between USLD and SBC is now eight months old, SBC continues to insist upon a lead time of at least 150 additional days to actually install interconnecting trunk groups. USLD has interconnection agreements with SBC that cover a number of cities in all five SBC states and this extraordinary delay in the provision of interconnecting circuits could effectively delay our provision of local service for more than a year in some of those cities.

10. The Resale Appendix in USLD's interconnection agreement with SBC states that "... either Party shall have the option of converting to [a different discount level rendered in a final ruling of a governing regulatory agency] upon ten (10) days written notice to the other party." In other words, the contract allows for a floating discount level dependent upon

- 3 -

Commission rulings from time to time.

When USLD attempted to implement this portion of the agreement, as a result of a ruling at the Texas Public Utility Commission, SBC indicated in writing that USLD would have to accept a package of new and unrelated terms and conditions for the provision of local resale in order to receive that discount.

11. USLD provides resold lines for privately owned public telephone service. During an emergency situation in Houston with major flooding in the city, several public pay phones were out of service. SBC responded with repair intervals, some of which were several days in duration. SBC indicated this was a normal response under the circumstances. Our customers, previously served by SBC, indicated this service was considerably delayed, compared to the type of service they received from SBC before switching to USLD.

12. In conclusion, USLD has not been able to implement its five state interconnection agreement. SBC's anti-competitive conduct with respect to the implementation of this interconnection agreement with USLD in Texas has served to deter further local entry by USLD at this time. SBC has, while maintaining the appearance of cooperation, steadily and consistently blocked the full and complete implementation of our interconnection agreements.

I hereby swear, under penalty of perjury, that the foregoing is true and correct, to the best of my knowledge, information, and belief.

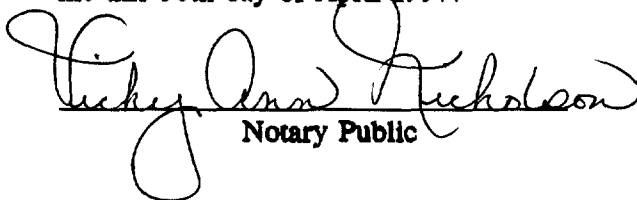
Dated: April 30, 1997



Richard Burk

Vice President, Strategic Planning

SWORN and SUBSCRIBED TO before
me this 30th day of April 1997.


Notary Public

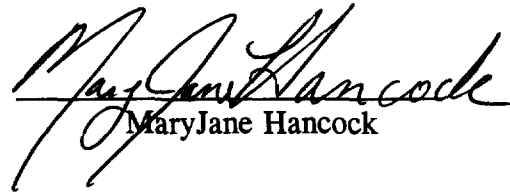
My Commission Expires:

02/06/01



CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing
OPPOSITION OF U.S. LONG DISTANCE to be delivered on this 1st day of May, 1997 by
either first class mail, postage prepaid or by hand to all parties listed on the attached service
list:


MaryJane Hancock

SERVICE LIST

William F. Caton*
Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Stop Code 1170
Washington, DC 20554

ITS, Inc.*
2100 M Street, N.W., Suite 140
Washington, D.C. 20037

Mr. Earnest G. Johnson
Director, Public Utility Division
Corporation Commission of Oklahoma
2101 North Lincoln Boulevard
Jim Thorpe Office Building
Oklahoma City, OK 73105

Department of Justice
c/o Donald J. Russell
Telecommunications Task Force
Antitrust Division, Room 8205
555 Fourth Street, N.W.
Washington, D.C. 20001

*Indicates Hand Delivery